

BENJAMIN J. CAYETANO
GOVERNOR



NEAL MIYAHIRA
DIRECTOR

WAYNE H. KIMURA
DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII PUBLIC EMPLOYEES HEALTH FUND
OFFICE OF THE PUBLIC DEFENDER
PUBLIC UTILITIES COMMISSION

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION

November 22, 2000

FINANCE MEMORANDUM

MEMO NO. 00-34

TO: All Department Heads

FROM: Neal Miyahira
Director of Finance

SUBJECT: FB 2002-03 Executive Budget Decisions

Based on discussions with the Governor, attached are the final decisions on your department's operating and CIP budget requests. In regard to your Information Technology (IT) requests, we will include a lump sum general fund appropriation in the Governor's Office budget, to be allocated to departments during FY 02 and 03. The non-general fund appropriations will be included in your budget.

To prepare the Program and Financial Plan (PFP) document for submittal to the 2001 Legislature, two copies of the following materials are needed:

1. Operating BJ Summary Tables due by November 27, 2000

Required Updates:

- A. FY 00 to reflect actual expenditures (including encumbrances based on FAMIS as of June 30, 2000).
- B. FY 01 to reflect estimated expenditures, not to exceed currently approved allocations.
- C. FY 02 and FY 03 to reflect the final budget decisions.
- D. FY 04 thru 07 – Position counts and personal services cost shall be kept constant throughout the planning period.

Exceptions: Debt service, Employees' Retirement System and Health Fund employer contributions should reflect projected requirements.

These instructions are applicable to all means of financing.

2. Budget Narratives Due by November 28, 2000

- A. Significant items (new programs that will be started, expansion of existing programs, trade-offs) must be discussed in Section B of the narrative.
- B. A sample format is attached. Refer to pages 31 through 34 of the Instructions for Preparing Program and Financial Plans and Program Budget Requests dated August 2000 for more information on what to include in the narratives.
- C. The narrative should be typed lengthwise on 14 inch paper. Do not exceed two pages.

3. Tables A, B and C Due by November 27, 2000

The tables must reflect the final budget decisions, and incorporate the approved changes to the program structure and performance measures.

4. CIP Tables P and Q Due by November 27, 2000

All Tables P and Q for projects included in B&F's recommendations dated November 9, 2000, have already been inputted, except for the Department of Public Safety and the Office of the Governor. Therefore, Tables P and Q for only those projects which have changed since the B&F initial recommendations need to be submitted by November 27.

PSD and GOV: please submit Tables P and Q for all projects with requests approved for FB 2002-03.

5. Operating BJ Detail Tables Due by December 11, 2000

All BJ detail tables (BJ-1, -2, -3, -4) must be updated to reflect final decisions. The budget details will be submitted to the Legislature by December 31, 2000.

6. CIP Table R Due December 18, 2000

Table R must be updated to reflect final decisions.

To meet our statutory deadlines in submitting the PFP to the 2001 Legislature, it is critical that these deadlines are met. Have your staff contact Ms. Adele Muronaga at Ext. 6-1553 if you need more copies of the budget tables.

Your staff should contact the appropriate budget analyst in this office if there are questions regarding the attached worksheets.

Your cooperation in this matter is appreciated.

Attachment (s)

c: Honorable Benjamin J. Cayetano
Mr. Sam Callejo

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- | | |
|--|--|
| A. <u>Statement of Program Objectives</u> | F. <u>Description of Major External Trends Affecting the Program</u> |
| B. <u>Description of Request and Compliance with Act 263, SLH 1994</u> | G. <u>Discussion of Cost, Effectiveness and Program Size Data</u> |
| C. <u>Description of Activities Performed</u> | H. <u>Discussion of Program Revenues</u> |
| D. <u>Statement of Key Policies</u> | I. <u>Summary of Analysis Performed</u> |
| E. <u>Identification of Important Program Relationships</u> | J. <u>Further Consideration</u> |

FB 02 - 03 EXECUTIVE BUDGET
DEPARTMENT OF BUDGET AND FINANCE
(Operating)

11/22/2000

#	Title & Description	M O F	FY 02				FY 03			
			Request		Gov Decision		Request		Gov Decision	
			Posn	\$	Posn	\$	Posn	\$	Posn	\$
	Health Fund Premiums - Projected additional costs based on maximum negotiated premium rates and about 2% increase in enrollments (same rate of increase experienced in FY 00).	A	-	9,587,474	-	9,587,474	-	22,360,129	-	22,360,129
		U	-	18,107,846	-	18,107,846	-	34,603,484	-	34,603,484
	General Fund FY 01: \$103,990,757 (base) FY 02: \$113,578,231 FY 03: \$126,350,886									
	U-Fund FY 01: \$128,438,459 (base) FY 02: \$146,546,305 FY 03: \$163,041,943									
	Debt Service - Payment of principal and interest (Revised 11/2/00): FY 01 \$150 M @ 5.409 % (actual) FY 01 2nd half \$150M; FY 02 \$400 M; FY 03 \$400 M; FY 04 \$400 M; FY 05 \$500M; FY 06 \$200 M; FY 07 \$200 M	A	-	(6,725,305)	-	(5,843,754)	-	28,955,085	-	34,244,385
		U	-	36,796,482	-	37,414,931	-	61,828,003	-	65,538,703
	General Fund FY 01 Base: \$252,039,650 \$246,195,896 \$286,284,035									
	U-Fund FY 01 Base: \$135,303,407 \$172,718,338 \$200,842,110									

FB 02 - 03 EXECUTIVE BUDGET
DEPARTMENT OF BUDGET AND FINANCE
(Operating)

11/22/2000

#	Title & Description	M O F	FY 02				FY 03			
			Request		Gov Decision		Request		Gov Decision	
			Posn	\$	Posn	\$	Posn	\$	Posn	\$
	Pension Accumulation - Additional requirements to fund 100% general fund with non-general fund reimbursements to treasury. U-fund represents DOE and UH portion of costs.	A	-	48,366,366	-	48,366,366	-	47,629,940	-	47,629,940
		U	-	60,322,034	-	60,322,034	-	59,384,764	-	59,384,764
	General Fund FY 01: \$1,786,594 (base) FY 02: \$50,152,960 FY 03: \$49,416,534									
	U-Fund FY 01: \$3,509,006 (base) FY 02: \$63,831,040 FY 03: \$62,893,770									
	Social Security - Additional requirements to fund 100% with general fund and anticipated increase in number of positions (2%). Non-general fund to reimburse general fund.	A	-	18,812,977		18,812,977	-	19,867,464	-	19,867,464
		U	-	10,677,648		10,677,648	-	12,041,882	-	12,041,882
	General Fund FY 01: \$40,579,435 (base) FY 02: \$59,392,412 FY 03: \$60,446,899									
	U-Fund FY 01: \$66,160,629 (base) FY 02: \$76,838,277 FY 03: \$78,202,511									
	Vacation Pay for Governor Transition	A								2,778,932
	Tradeoff/Transfer - Transfer general fund position from BPPM; convert to permanent U-fund, Accountant III position (Item 5 below). Salary for the position was deleted as a program review group reduction.	A	(1.00)	-	(1.00)	-	(1.00)	-	(1.00)	-

FB 02 - 03 EXECUTIVE BUDGET
DEPARTMENT OF BUDGET AND FINANCE
(Operating)

11/22/2000

#	Title & Description	M O F	FY 02				FY 03			
			Request		Gov Decision		Request		Gov Decision	
			Posn	\$	Posn	\$	Posn	\$	Posn	\$
	Tradeoff/Transfer - ERS - Reduce funding for computer system and computer hardware, add \$200,000 in FY 02 for consultant services to review alternative benefit plans, \$13,290 in each year for travel costs.	X	-	(3,828,268)		(3,828,268)	-	(3,511,848)		(3,511,848)
	Tradeoff/Transfer - Unrequired federal fund collective bargaining allocation.	N	-	(2,940)		(2,940)		(2,940)		(2,940)
	Tradeoff/Transfer - Reduce other current expenses and equipment from base for Health Fund; add Phase III of computer system.	T		(1,144,618)		(1,144,618)		(3,244,618)		(3,244,618)
	Departmental LAN and IT related support - Access to Next Generation Network (NGN), migration to Lotus Notes, migration off WANGNET, software licenses.	A	-	51,000	-	-	-	4,100	-	-
	Additional SWCAP Costs - To cover ICSD's share of the costs of the Statewide Cost Allocation Plan contract. ICSD has noted that they do not have sufficient funds within their budget to cover this cost. Funding for this item budgeted under DAGS - ICSD.	A	-	60,000	-	-	-	60,000	-	-
	Arbitrage - Estimated payment to US Treasury due to excess interest earnings from investment of general obligation bond proceeds.	A	-	-	-	-	-	1,395,000	-	1,545,612
	FAD - Accountant III position - staff support for State Treasury centralized investment program. Position count being transferred from BPPM (Item 1). Salary to be paid by non-general fund programs benefiting from investment pool.	U	1.00	38,795	1.00	38,795	1.00	38,795	1.00	38,795

FB 02 - 03 EXECUTIVE BUDGET
DEPARTMENT OF BUDGET AND FINANCE
(Operating)

11/22/2000

#	Title & Description	M O F	FY 02				FY 03			
			Request		Gov Decision		Request		Gov Decision	
			Posn	\$	Posn	\$	Posn	\$	Posn	\$
	Health Fund - Change in means of financing of ongoing operating costs from trust to general fund (postage, computer system maintenance, Benefit Plan Consultant Services, and annual financial audit costs).	A	-	631,789	-	631,789	-	614,087	-	614,087
	Health Fund - Increase trust fund ceiling due to increased premiums and enrollments	T	-	24,354,200	-	24,354,200	-	69,354,200	-	69,354,200
	Public Defender - Additional Deputy Public Defender for Kauai Branch Office Kauai District Office has 3 deputy public defenders (including the supervising deputy PD). Kauai has 2 circuit, 5 district, and 1 family courts.	A	1.00	109,256	1.00	109,256	1.00	63,081	1.00	63,081
	Public Defender - Software licenses for Windows NT Server, MS Office, antivirus, and SNA client access to access Judiciary's database.	A	-	56,905	-		-	550	-	
	TOTAL		1.00	216,271,641	1.00	217,603,736	1.00	351,441,158	1.00	363,306,052
	Total, by MOF	A	-	70,950,462	-	71,664,108	-	120,949,436	-	129,103,630
		T	-	23,209,582	-	23,209,582	-	66,109,582	-	66,109,582
		N	-	(2,940)	-	(2,940)	-	(2,940)	-	(2,940)
		X	-	(3,828,268)	-	(3,828,268)	-	(3,511,848)	-	(3,511,848)
		U	1.00	125,942,805	1.00	126,561,254	1.00	167,896,928	1.00	171,607,628

FB 02-03 EXECUTIVE BUDGET - CIP
DEPARTMENT OF BUDGET AND FINANCE

Pgm. ID	Capital Project Number	Dept Priority #	Project Title & Description	Phase	MOF	FY 02		FY 03	
						Request	Gov Decision	Request	Gov Decision
BUF101	00-01	1	Hawaiian Home Lands Trust Fund, Statewide To authorize the transfer of general obligation bonds to satisfy the provisions of Act 14, SpSLH 1995	C	C	30,000,000	30,000,000	30,000,000	30,000,000
BUF 101	00-02	2	State Educational Facilities Improvement Fund, Statewide To authorize the transfer of general obligation bonds in accordance with Section 237-31, HRS	C	C	45,000,000	45,000,000	45,000,000	45,000,000
TOTAL					C	75,000,000	75,000,000	75,000,000	75,000,000

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PUBLIC UTILITIES COMMISSION

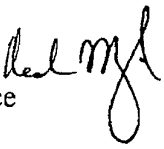
**STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE**

P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION

November 27, 2000

TO: Mr. Stanley Shiraki, Administrative Services Officer
Administrative and Research Office

FROM: Neal Miyahira 
Director of Finance

SUBJECT: Amended FB 2002-03 Executive Budget Worksheets

Attached are amended worksheets for the FB 2002-03 Executive operating budget to replace the worksheets transmitted to you on Wednesday, November 22, 2000. The amended worksheets reflect additional funding for vacation payouts for the Governor's transition.

Attachment

FB 02 - 03 EXECUTIVE BUDGET
DEPARTMENT OF BUDGET AND FINANCE
(Operating)

Revised: 11/24/2000

#	Title & Description	M O F	FY 02				FY 03			
			Request		Gov Decision		Request		Gov Decision	
			Posn	\$	Posn	\$	Posn	\$	Posn	\$
	Health Fund Premiums - Projected additional costs based on maximum negotiated premium rates and about 2% increase in enrollments (same rate of increase experienced in FY 00).	A	-	9,587,474	-	9,587,474	-	22,360,129	-	22,360,129
		U	-	10,107,040	-	10,107,040	-	34,603,404	-	34,603,404
	<i>General Fund</i> FY 01: \$103,990,757 (base) FY 02: \$113,578,231 FY 03: \$126,350,886									
	<i>U Fund</i> FY 01: \$128,138,159 (base) FY 02: \$146,546,305 FY 03: \$163,041,943									
	Debt Service - Payment of principal and interest (Revised 11/2/00):	A	-	(6,725,305)	-	(5,843,754)	-	28,955,085	-	34,244,385
	FY 01 \$150 M @ 5.409 % (actual) FY 01 2nd half \$150M; FY 02 \$100 M; FY 03 \$100 M; FY 04 \$400 M; FY 05 \$500M; FY 06 \$200 M; FY 07 \$200 M	U	-	36,796,482	-	37,414,931	-	61,828,003	-	65,538,703
	General Fund FY 01 Base: \$252,039,650 \$246,195,896 \$286,284,035									
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		U	-	60,322,034	-	60,322,034	-	59,384,764	-	59,384,764
	General Fund FY 01: \$1,786,594 (base) FY 02: \$50,152,960 FY 03: \$49,416,534									
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	Social Security - Additional requirements to fund 100% with general fund and anticipated increase in number of positions (2%). Non-general fund to reimburse general fund.	A	-	18,812,977		18,812,977	-	19,867,464	-	19,867,464
		U	-	10,677,648		10,677,648	-	12,041,882	-	12,041,882
	General Fund FY 01: \$40,579,435 (base) FY 02: \$59,392,412 FY 03: \$60,446,899									
	U-Fund FY 01: \$66,160,629 (base) FY 02: \$76,838,277 FY 03: \$78,202,511									
	Vacation Pay for Governor Transition	A								2,933,682
	Tradeoff/Transfer - Transfer general fund position from BPPM; convert to permanent U-fund, Accountant III position (Item 5 below). Salary for the position was deleted as a program review group reduction.	A	(1.00)	-	(1.00)	-	(1.00)	-	(1.00)	-

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			Request		Gov Decision		Request		Gov Decision	
			Posn	\$	Posn	\$	Posn	\$	Posn	\$
	Tradeoff/Transfer - ERS - Reduce funding for computer system and computer hardware, add \$200,000 in FY 02 for consultant services to review alternative benefit plans, \$13,290 in each year for travel costs.	X	-	(3,828,268)		(3,828,268)	-	(3,511,848)		(3,511,848)
	Tradeoff/Transfer - Unrequired federal fund collective bargaining allocation.	N	-	(2,940)		(2,940)		(2,940)		(2,940)
	Tradeoff/Transfer - Reduce other current expenses and equipment from base for Health Fund; add Phase III of computer system.	T		(1,144,618)		(1,144,618)		(3,244,618)		(3,244,618)
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	Arbitrage - Estimated payment to US Treasury due to excess interest earnings from investment of general obligation bond proceeds.	A	-	-	-	-	-	1,395,000	-	1,545,612
	FAD - Accountant III position - staff support for State Treasury centralized investment program. Position count being transferred from BPPM (Item 1). Salary to be paid by non-general fund programs benefiting from investment pool.	U	1.00	38,795	1.00	38,795	1.00	38,795	1.00	38,795

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Revised: 11/24/2000

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			Posn	\$	Posn	\$	Posn	\$	Posn	\$
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	Public Defender - Additional Deputy Public Defender for Kauai Branch Office Kauai District Office has 3 deputy public defenders (including the supervising deputy PD). Kauai has 2 circuit, 5 district, and 1 family courts.	A	1.00	109,256	1.00	109,256	1.00	63,081	1.00	63,081
	Public Defender - Software licenses for Windows NT Server, MS Office, antivirus, and SNA client access to access Judiciary's database.	A	-	56,905	-		-	550	-	
	TOTAL		1.00	216,271,641	1.00	217,603,736	1.00	351,441,158	1.00	363,460,802
	Total, by MOF	A	-	70,950,462	-	71,664,108	-	120,949,436	-	129,258,380
		T	-	23,209,582	-	23,209,582	-	66,109,582	-	66,109,582
		N	-	(2,940)	-	(2,940)	-	(2,940)	-	(2,940)
		X	-	(3,828,268)	-	(3,828,268)	-	(3,511,848)	-	(3,511,848)
		U	1.00	125,942,805	1.00	126,561,254	1.00	167,896,928	1.00	171,607,628